

COASTAL CONSERVANCY

Staff Recommendation
June 25, 2015

INTEGRATED WATERSHED RESTORATION PROGRAM PHASE 4

Project No. 03-063-03
Project Manager: Tom Gandesbery

RECOMMENDED ACTION: Authorization to disburse up to \$1,100,000 to the Resource Conservation District of Santa Cruz County for the Integrated Watershed Restoration Program in San Mateo, Santa Cruz, and Monterey Counties.

LOCATION: Coastal watersheds in San Mateo, Santa Cruz, and Monterey Counties (Exhibit 1: Project Location Map)

PROGRAM CATEGORY: Integrated Coastal and Marine Resources Protection

EXHIBITS

- Exhibit 1: [Project Location and Site Map](#)
 - Exhibit 2: [Overview and Accomplishments](#)
 - Exhibit 3: [Proposed Projects](#)
 - Exhibit 4: [Project Letters](#)
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RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Public Resources Code Section 31220:

“The State Coastal Conservancy authorizes disbursement of up to one million one hundred thousand dollars (\$1,100,000) to the Resource Conservation District of Santa Cruz County (RCDSCC) to design and prepare permit applications for 25 to 30 critical watershed restoration projects as part of the Integrated Watershed Restoration Program, subject to the condition that prior to the disbursement of funds, the RCDSCC shall submit for the review and approval of the Conservancy’s Executive Officer a work plan, schedule and budget, and the names and qualifications of any subcontractors.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed authorization is consistent with the purposes and objectives of Chapter 5.5 of Division 21 of the Public Resources Code, regarding integrated coastal and marine resources protection.
2. The proposed project is consistent with the current Project Selection Criteria and Guidelines.”

PROJECT SUMMARY:

Staff recommends granting up to \$1,100,000 to the Resource Conservation District of Santa Cruz County (RCDSCC) to implement Phase 4 of the Integrated Watershed Restoration Program (IWRP) (See Exhibit 2). Phase 4 builds on the success of the previous two Conservancy-funded phases of IWRP (1 and 3). All of the funding is provided to the RCDSCC and through it, the Santa Cruz, San Mateo and Monterey County RCDs provide design and permitting assistance for 25 to 30 critical watershed restoration projects supporting the recovery of listed species and improvement of water quality in their respective counties.

IWRP was founded on the principle that watershed restoration would be more effective as a coordinated countywide effort, with the RCDs, the Conservancy, the California Department of Fish and Wildlife (CDFW), NOAA Fisheries and United States Fish and Wildlife Service (USFWS), all working together through a joint interagency technical committee to review and vet projects before investing in designs and permits. As with previous phases of this successful program, IWRP 4 is intended to jumpstart the restoration process by providing Conservancy funding for specific tasks that will advance the project, and to provide needed coordination to help future restoration efforts succeed. IWRP has effectively allowed that the highest priority projects get funded, that watershed agencies and organizations are coordinating efforts, funding agencies are anticipating upcoming projects, that lessons learned across watersheds are shared and momentum and enthusiasm is maintained by working together, that a permit coordination program to facilitate obtaining permits for environmentally beneficial project, and that a holistic approach is taken, both in terms of overall watershed health (*i.e.*, not restricted to single-species or issues) and in addressing areas such as outreach, education, and monitoring which are often overlooked and/or under-funded.

Now in its 12th year, IWRP is proven to be a highly effective process for implementing restoration projects on California’s Central Coast. IWRP brings federal, state, and local resource agencies and conservation partners together to identify high priority watershed restoration projects in San Mateo, Santa Cruz, and Monterey Counties, and to provide technical oversight of the preparation of designs and environmental compliance documents. IWRP has been very successful at leveraging the Conservancy’s investment at the design stage (Phases 1 and 3) to develop ‘shovel-ready’ projects that are a high priority for state and federal resource agencies. The Conservancy’s \$7.1 million investment in designing IWRP projects has leveraged well over \$21 million dollars in implementation funding to construct over 110 restoration projects to-date.

IWRP has also evolved into a respected approach to resolve long-standing resource conflicts through the development of mutually-agreeable projects and to encourage higher landowner participation in restoration by providing permitting assistance and other incentives. For instance, IWRP staff work with landowners and forestry agencies to find and implement projects that address agricultural needs while improving fishery habitat. In addition, the Conservancy’s

investment has provided a forum to coordinate recovery actions for the Central and South-Central California Coast steelhead, Central California Coast Coho salmon, Santa Cruz long-toed salamander, California red-legged frog, and other listed species in the three counties. The high volume of restoration projects constructed has benefitted the local economies by providing numerous jobs and focusing attention on the community benefits of preserving natural resources. Please see Exhibit 2 for a more detailed overview of IWRP accomplishments and recognition.

In recent years, the IWRP partner organizations have explored other ways to fund IWRP, including transportation mitigation programs and local assessment districts; some pilot partnerships are underway but no long-term dedicated source of funding has yet been secured. The Phase 4 grant will bridge the funding gap that the RCDs face and maintain the momentum that has been attained after a decade of hard work. A list of potential projects to be designed and applications for permits made in Phase 4 is provided in Exhibit 3.

The RCDSCC has successfully managed a number of Conservancy grants including the extremely complex IWRP Phase 1 and Phase 3 grants, which required dozens of subcontracts and hundreds of invoices for multiple projects. The RCDSCC demonstrates sound fiscal responsibility as well as expertise in project management, road assessments, landowner outreach, and partner collaboration, and is well-suited to continue to carry out another phase of this successful program.

Site Description: The project area for IWRP Phase 4 stretches from the northernmost coastal steelhead watershed in San Mateo County - the San Pedro Creek watershed - to the rugged coastal drainages of the Santa Lucia Mountains along the Big Sur coast of Monterey County. The three-county project area is home to a wealth of aquatic and riparian special status species including federally- and state-listed frogs (California red-legged and foothill yellow-legged), salamanders (Santa Cruz long-toed and California tiger), snakes (San Francisco garter), and birds (marbled murrelet, among others), plus a wide variety of other flora and fauna. The project area supports the state- and federally-endangered Central California Coast Coho Salmon Evolutionarily Significant Unit (ESU) and both the federally threatened Central California Coast (CCC) and South-Central California Coast (SCCC) Steelhead Distinct Population Segments (DPS).

Within San Mateo County, coastal streams descend from the steep, highly erodible Montara and Santa Cruz Mountain ranges and drain into small coastal lagoons and/or directly into the Pacific Ocean. Land use along the San Mateo County coast includes urban development in the incorporated towns of Pacifica and Half Moon Bay, irrigated agriculture along the coastal terraces and bluffs, and grazing and forestry in the grasslands and woodlands. San Mateo County Department of Public Works, the San Mateo County RCD, and various other nonprofit organizations and governmental agencies have identified stream crossings, erosion from aging road networks and historic land use, and loss of riparian habitat and woody debris from stream channels as key limiting factors to salmonids and other aquatic and riparian species. In addition, Pescadero, Butano, and San Gregorio Creeks are all listed by the Regional Water Quality Control Board as impaired for sediment and have Total Maximum Daily Load (TMDL) planning processes underway.

Santa Cruz County consists of seven primary watersheds and a number of smaller, but high priority, watersheds. The seven large watersheds include: Waddell Creek, Scotts Creek, San Lorenzo River, Soquel Creek, Aptos Creek, and Lower Pajaro River tributaries (including

Corralitos Creek). The largest of these is the San Lorenzo River watershed which encompasses 138 square miles. Smaller coastal watersheds, especially in the northern portion of the county, are considered high priorities for restoration due to their value in maintaining Coho populations and the lack of urban impacts. All of these coastal streams descend from the steep Santa Cruz Mountains to drain into the Monterey Bay National Marine Sanctuary. The urban centers of the cities of Santa Cruz, Capitola, and Watsonville are located on the San Lorenzo River, Soquel Creek, and Lower Pajaro River tributaries and Watsonville Sloughs respectively, and have channelized the streams to varying degrees. Other land uses in the watersheds include orchards and row crops, timber harvest, rural residential, extensive road infrastructure, cattle grazing, and parks and recreation. The San Lorenzo River and Pajaro River have approved TDMLs for sediment. IWRP projects will look to address sediment issues in TDML watersheds as they relate to fisheries restoration.

Unlike San Mateo and Santa Cruz County, the majority of Monterey County drains through one watershed, the 4,600 square mile Salinas River watershed. Although this watershed drains both San Luis Obispo and Monterey Counties, IWRP will focus on the Monterey County portion of the watershed. The Salinas River flows northwesterly along the 10 mile wide and 155 mile long Salinas valley into the Monterey Bay National Marine Sanctuary. The valley lies in the Coast Range and is defined to the west by the Sierra de Salinas and east by the Gabilan Range. The Salinas River watershed (along with the Pajaro River watershed) supports the inland sub-populations of SCCC Steelhead, a major recovery priority for NMFS and DFG. In addition to the Salinas River, Monterey County contains the Carmel River watershed, which also drains into the Marine Sanctuary, and is the current site of extensive fisheries restoration efforts with the removal of San Clemente dam and other projects. Monterey County also contains a number of coastal watersheds along the Big Sur coast. These include the Big Sur River, and numerous other coastal drainages. The Big Sur coastal watersheds drain the steep rocky Santa Lucia Mountains. While the Salinas River watershed, and the Carmel River watershed to a lesser extent, is dominated by agricultural land-uses and private lands, the Big Sur coastal watersheds have large DPR and United States Forest Service (USFS) holdings.

Project History: Between 1998 and 2003, the Conservancy, CDFW, and RWQCB funded over 15 fish passage and erosion risk assessments and watershed restoration plans for seven watersheds in Santa Cruz County. Staff from the Conservancy, CDFW, RCDSCC, the County and City of Santa Cruz, and the Coastal Watershed Council recognized that implementing the recommendations of these assessments and plans would be best accomplished by bringing together federal, state, and local resource and permitting agencies to identify the highest priority projects and assist with locating funding sources, providing technical assistance, and facilitating permitting. This led to the creation of the Integrated Watershed Restoration Program for Santa Cruz County. The mission of IWRP is to facilitate and coordinate projects to improve fish and wildlife habitat and water quality in Santa Cruz County watersheds using a voluntary, non-regulatory approach. Typical IWRP restoration projects include sediment reduction, fish passage improvement, and wetland and lagoon restoration.

In 2003 the Conservancy provided a \$4.5 million grant for Phase 1 of IWRP. This was leveraged in Phase 2 into \$11 million in implementation funding from other organizations, with over 65 projects being funded. With the Conservancy's funding support 2008 through 2013, IWRP Phase 3 resulted in the expansion of IWRP from its origins in Santa Cruz County to include work carried out by the RCDs of San Mateo and Monterey Counties. Also funded in Phase 3 was a

rural roads program in each county to improve water quality and fish habitat by working with private road associations to control. Lastly, the Conservancy's Phase 3 grant funded the Santa Cruz County Partners in Restoration permit coordination program which has worked with project proponents and property owners to develop grant and permit applications; often resulting in projects that are funded entirely by property owners and private entities, such as private road associations. The Conservancy provided a total of \$2.6 million for Phase 3.

Because of the incredible success of IWRP, in late 2014 Conservancy staff began to discuss with IWRP partners the possibility of providing additional funding for a fourth phase of the program.

PROJECT FINANCING

Coastal Conservancy (this authorization)	\$1,100,000
Others Funders*	
Total Project Costs	\$1,100,000

* While there is no match contribution shown for the design portion of the projects, the intent is for the project proponents to use this design funding to leverage implementation monies. To-date, this has worked out to be at least a 3:1 match by seeking out a combination of state and federal grants and is expected to be much higher in the future. Additionally several projects have been implemented by private landowners without additional public funds which increases the leveraging of Conservancy funding.

Three sources of Conservancy funds are proposed for this authorization. A portion of the Conservancy funds would be from an appropriation to the Conservancy from the Water Security, Clean Drinking Water, Coastal Beach Protection Fund of 2002 (Proposition 50). Proposition 50 authorizes the use of funds for the purpose of protecting coastal watersheds through projects to acquire, protect and restore land and water resources, including associated planning, that are undertaken pursuant to the Conservancy's enabling legislation. All of the proposed project components will serve to protect and restore coastal watersheds through coordination of restoration planning efforts, assessing and identifying erosion control projects, supporting a permit coordination program that targets watershed restoration projects, and preparing designs and permits for projects that protect or restore fish and wildlife habitat within coastal watersheds or reduce unnatural erosion and sedimentation of coastal watersheds. Proposition 50 also requires that "watershed protection activities" must be consistent with the applicable adopted local watershed management plan and the applicable regional water quality control plan adopted by the regional water quality control board. See "Consistency With Local Watershed Management Plan/State Water Quality Control Plan" section, below.

Additional project funding would be from an appropriation to the Conservancy from the "Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006" (Proposition 84). Proposition 84 authorizes the Conservancy's use of these funds for the purposes of protecting beaches, bays, coastal waters and coastal watersheds, including restoration of the natural habitat values of coastal waters and lands through projects undertaken pursuant to the

Conservancy's enabling legislation (Division 21 of the Public Resources Code). Proposition 84 specifically allocates Conservancy funding for Monterey Bay and its watersheds, which is defined to include the Carmel River watershed. See Public Resources Code sections 75060(e) and 75072.5 All of the proposed project components will serve to protect and restore coastal watersheds through coordination of restoration planning and permitting efforts, assessing and identifying erosion control projects, and preparing designs and permits for projects that protect or restore fish and wildlife habitat within coastal watersheds or reduce unnatural erosion and sedimentation of coastal watersheds. The proposed project is consistent with the Conservancy's enabling legislation, as discussed in the "Consistency with Conservancy's enabling legislation" section below. The proposed authorization is thus consistent with the funding requirements of Proposition 84.

Proposition 84 also requires that for potential projects that include acquisition or restoration for the purpose of natural resources protection, the Conservancy give priority to potential projects that meet one or more of the criteria specified in Section 75071. The proposed project satisfies the following specified criterion: Section 75071(b) regarding watershed protection in that the design projects are watershed restoration projects selected by the IWRP Technical Advisory Committee (TAC) to contribute to the long-term protection of and improvement to the water and biological quality of the streams, aquifers, and terrestrial resources of priority watersheds of the major biological regions of the three counties by reducing erosion, restoring natural floodplains, removing barriers to fish passage, re-establishing native vegetation, and other watershed protection measures.

The third source of funding for the project would be from an appropriation to the Conservancy from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 (Proposition 12, Public Resources Code Section 5096.352). Proposition 12 funds may be used for projects that are consistent with Division 21 of the Public Resources Code and involve the restoration or enhancement of real property in coastal areas and watersheds or the development of public use facilities. Proposition 12 directs that a portion of funds appropriated to the Conservancy be used specifically for Central Coast projects, including projects in Santa Cruz, Monterey, San Luis Obispo, and Santa Barbara Counties. The proposed project will help to restore and enhance coastal watersheds and is therefore consistent with the purposes of Proposition 12.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

This project would be undertaken pursuant to Chapter 5.5 (Section 31220) of the Conservancy's enabling legislation, Division 21 of the Public Resources Code, regarding Integrated Coastal and Marine Resources Protection. Section 31220(a) authorizes the Conservancy to undertake and award grants for projects that meet one or more of the criteria of Section 31220(b). Consistent with §31220(b)(2),(3), (4), and (6), the project will restore fish habitat within coastal watersheds, reduce the threats to coastal anadromous fish, reduce unnatural erosion, and restore riparian areas and other sensitive watershed lands by identifying and designing projects that will modify fish passage barriers, reduce excessive sedimentation from poorly maintained rural roads, and restore riparian, wetland, and aquatic habitats.

Consistent with §31220(a), staff has consulted with State Water Resources Control Board (SWRCB) in the development of the project to ensure consistency with Chapter 3 (commencing

with §30915) [Clean Beaches Program] of Division 20.4 of the Public Resources Code.

Consistent with §31220(c), the project is consistent with local watershed management plans. (See “Consistency With Local Watershed Management Plan/State Water Quality Control Plan,” section below). The project does not include a monitoring component as defined in §31220(c) because the project does not include funds for construction.

**CONSISTENCY WITH CONSERVANCY’S 2013
STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):**

Consistent with Goal 5, Objective A of the Conservancy’s 2013-2018 Strategic Plan, the proposed project develop 12-20 plans for the restoration of coastal habitats, including coastal wetlands and intertidal areas, stream corridors, dunes, coastal terraces, coastal sage scrub, forests and coastal prairie.

Consistent with Goal 5, Objective C of the Conservancy’s 2013-2018 Strategic Plan, the proposed project will develop 1-3 plans to preserve and enhance coastal watersheds and floodplains.

Consistent with Goal 5, Objective F of the Conservancy’s 2013-2018 Strategic Plan, the proposed project will complete 3-6 plans to improve water quality to benefit coastal and ocean resources.

Consistent with Goal 6, Objective A of the Conservancy’s 2013-2018 Strategic Plan, the proposed project will develop 2-4 plans for projects that foster the long-term viability of coastal working lands, including projects to assist farmers, ranchers, and timber producers to reduce impacts of their operations on wildlife habitat and water quality,

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The project spans coastal watersheds in San Mateo, Santa Cruz, and Monterey Counties. By facilitating watershed restoration projects that will control erosion, improve water quality, improve riparian habitat, modify fish passage barriers, and coordinate resource agency watershed restoration efforts, the project will help to satisfy several of the priorities listed in the Local Coastal Program (LCP) policies described below:

San Mateo County’s 1998 certified LCP designates coastal riparian corridors as “sensitive habitats requiring protection.” (Section 7.8).

Santa Cruz County's 1994 certified General Plan and LCP provides direction to “preserve, protect and restore all riparian corridor and wetlands for the protection of wildlife and aquatic habitat, water quality, erosion control, open space, aesthetic and recreational values and the conveyance and storage of flood waters.” (Objective 5.2).

The North County Land Use Plan serves as the 1982 (amended in 1987) certified LCP for the northern coastal portion of Monterey County targeted by the project. Key Policy 2.3.1 states that “the environmentally sensitive habitats of North County are unique, limited, and fragile resources of statewide significance, important to the enrichment of present and future generations of county residents and visitors; accordingly, they shall be protected, maintained, and, where possible, enhanced and restored.”

The Carmel Area Land Use Plan serves as the 1983 certified LCP for the central coastal portion of Monterey County targeted by the project. Key Policy 2.3.2 states that “the environmentally sensitive habitats of the Carmel Coastal Segment are unique, limited and fragile resources of statewide significance, important to the enrichment of present and future generations of County residents- and visitors; accordingly, they shall be protected, maintained and, where possible, enhanced and restored. All categories of land use, both public and private shall be subordinate to the protection of these critical areas.”

The Big Sur Coast Land Use Plan serves as the 1986 certified LCP for the southernmost coastal portion of Monterey County targeted by the project. The LCP identifies riparian corridors as environmentally sensitive habitat areas. Policy 3.3.1 states that “all practical efforts shall be made to maintain, restore, and if possible, enhance Big Sur’s environmentally sensitive habitats.”

**CONSISTENCY WITH LOCAL WATERSHED MANAGEMENT PLAN/
STATE WATER QUALITY CONTROL PLAN:**

The individual projects will be identified by the IWRP TAC based on recommendations in local watershed plans, including the Coho and steelhead recovery plans developed by CDFW and National Marine Fisheries Service (NMFS), or otherwise supported by state or federal resource agencies or local watershed groups. A number of potential projects are also recommended in the Integrated Regional Watershed Management Plans for Northern Santa Cruz County, the Pajaro River San Francisco Bay (which includes the San Mateo Coast), Monterey Peninsula and Greater Monterey County. Because they will facilitate the restoration of fish and wildlife habitat in coastal watersheds and wetlands, including habitat for the state- and federally-listed anadromous Coho salmon and steelhead, the project components are also consistent with the Water Quality Control Plan for the Central Coastal Basin (adopted by the Regional Water Quality Control Board Central Coast Region in 1994 and reviewed every three years) and the San Mateo Coastal Basin Hydrologic Planning Unit (adopted by the Regional Water Quality Control Board San Francisco Bay Region in 1975 and reviewed every three years) in that they will further the following beneficial use objectives:

- Estuarine habitat
- Wildlife habitat
- Rare, Threatened, or Endangered Species
- Migration of Aquatic Organisms
- Spawning, Reproduction, and/or Early Development.

**CONSISTENCY WITH CONSERVANCY’S
PROJECT SELECTION CRITERIA & GUIDELINES:**

The proposed project is consistent with the Conservancy’s Project Selection Criteria and Guidelines, last updated October 2014 in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Promotion and implementation of state plans and policies:** By restoring the project serves to promote and implement several state plans including:
 - a. *California Water Action Plan* (California Natural Resources Agency, California Environmental Protection Agency, and California Department of Food and Agriculture, 2014). Goal #2, "Increase Regional Self-Reliance and Integrated Water Management Across All Levels Of Government" identifies encouraging funding for multi-benefit projects and streamlining permitting for local enhancement projects as priority actions. Goal #4, "Protect and Restore Important Ecosystems," identifies restoration of coastal watersheds and the elimination of barriers to fish migration as a priority actions. The IWRP program will implement all of these priority actions.
 - b. *California Nonpoint Source Pollution Control Program* (State Water Resources Control Board, 2000) includes numerous goals relevant to IWRP: (1A) Erosion and Sediment Control -Agriculture-Education and Outreach; 5.1B Instream and Riparian Habitat Restoration; 5.3A Eroding Streambanks and 6A Vegetated Treatment Systems in Riparian Areas; 6B Restoration of Wetlands and Riparian Areas including; 6D Education and Outreach related to those areas.
 - c. *California Wildlife Action Plan* (California Department of Fish and Wildlife, 2007) goals for the Central Coast region including protecting sensitive species and important wildlife habitat and restoring anadromous fish populations.
 - d. Fishery Recovery Plans including the *Recovery Strategy for California Coho Salmon* (California Department of Fish and Wildlife, 2004); the *Recovery Plan for Central California Coast Coho Salmon Evolutionarily Significant Unit* (National Marine Fisheries Service, 2012); the *South-Central California Coast Steelhead Recovery Plan* (National Marine Fisheries Service, 2013), and the *Steelhead Restoration and Management Plan* (California Department of Fish and Wildlife, 1996). by helping to implement projects that restore in-stream habitat and remove barriers to fish migration. The IWRP process results in projects that implement many of the recommendations contained within these plans.
4. **Support of the public:** The IWRP is supported by State Senators Bill Monning and Jerry Hill and Assemblymembers Luis Alejo, Mark Stone, and Rich Gordon. The project is also supported by Congressman Sam Farr, as well as by Santa Cruz County Supervisor Bruce McPherson, Monterey County Board of Supervisors Simon Salinas and Jane Parker, the CA Department of Fish and Wildlife, CA Department of Parks and Recreation, National Marine Fisheries Service, NOAA Restoration Center, the Monterey Bay National Marine Sanctuary, Cal Poly Swanton Ranch, the City of Watsonville, the City of Santa Cruz, the Land Trust of Santa Cruz County, The Nature Conservancy, Trout Unlimited, the Central Coast Wetlands Group and Watsonville Wetlands Watch.

(Exhibit: 4)

5. **Location:** This project is located across multiple coastal-draining watersheds in San Mateo, Santa Cruz, and Monterey Counties. The watersheds in each of these counties are partly in and partly out of the coastal zone. Through coordinated planning and preparation of project designs, IWRP will lay the groundwork for removing fish migration barriers and improving water quality, which will in turn benefit anadromous fish species and a suite of aquatic, riparian, wetland, and marine species currently affected by poor water quality and habitat degradation.
6. **Need:** The precipitous declines in the Coho and steelhead fisheries in San Mateo, Santa Cruz, and Monterey Counties require an interagency approach to remove barriers and restore habitat quality. IWRP has proven to be an efficient and cost-effective approach. Without Conservancy funding, the three partner RCDs would have to significantly cut the number of watershed restoration projects in their regions..
7. **Greater-than-local interest:** By improving fish passage and controlling erosion, the project will serve to protect and enhance aquatic species throughout the three counties, the Monterey Bay National Marine Sanctuary, and the myriad coastal lagoons, as well as contributing to state and federal goals of restoring listed salmonids. When IWRP Phase 1 began, the promise was to build a process or model that could be replicated elsewhere in the state. Phase 3 was an expansion of the model which further expanded to three coastal counties, the process, relationships and capacity-building. Phase 4 of IWRP will build on the success of Phase 3 in restoration of riparian and wetland projects with attention paid to projects that integrate water supply and water quality aspects. Phase 4 has the potential to act as a catalyze projects that are well positioned for funding under Proposition 1, for example those that include aquifer recharge.
8. **Sea level rise vulnerability:** Many IWRP projects are situated well above sea-level in the watersheds of coastal creeks and therefore not likely to be directly impacted by sea level rise. However, the program may support a few projects located in coastal lagoons and sloughs, in which case, the design will take into account predicted increases in ocean water elevation.

Additional Criteria

9. **Urgency:** The precipitous decline in salmonid populations in this region (see “Site Description” section above) make restoration actions all the more urgent. Related to this, wildfires in Big Sur area resulted in massive sediment releases to fragile fishery habitats and three years of drought have pushed species already in a precarious state, to the edge of extinction. Many endangered species, Coho salmon for example, are nearly extinct because of a lack of habitat, including stream flows. IWRP projects not only re-create habitat but also can help restore dry weather flows to many coastal streams.
10. **Resolution of more than one issue:** The project will resolve fish passage, erosion control, and water quality issues by providing designs for restoration projects. IWRP projects are often on private land and help resolve conflicts between the mandates of regulatory and resource agencies to restore natural conditions, and the property owner’s resistance to resolve the problem.

11. **Leverage:** Since 2003, through Phases 1-3, IWRP has been very successful in leveraging the Conservancy's investment by raising at least 3 times more in implementation funding, a result of the successful award of state and federal grants as well as outside funders such as property owners.
12. **Conflict resolution:** The project's approach of working voluntarily with landowners, local agencies, and state and federal resources agencies to resolve watershed resource issues provides an alternative to regulatory action. Phases 1 and 3 have a proven track record for establishing a process for resolving protracted resource conflicts and developing comprehensive and innovative solutions.
13. **Innovation:** IWRP and its components are a unique approach to providing comprehensive, coordinated watershed restoration and can be used as a model throughout the state.
14. **Readiness:** The RCDSCC and project partners are ready to proceed immediately and complete the project to take advantage of upcoming implementation grant program solicitations.
15. **Realization of prior Conservancy goals:** See "Project History" section, above.
16. **Cooperation:** The fundamental principle behind IWRP is the cooperation of local, state, and federal partners. In Santa Cruz County, IWRP has provided a central communication point to coordinate this cooperative effort which has led to significant success in developing and implementing high priority projects in three counties: Santa Cruz, San Mateo and Monterey Counties. IWRP fosters cooperation due to a number of factors including: overlapping resource agencies staff and jurisdictions); similar resource issues across county boundaries; cooperative/collaborative restoration efforts and an increase in awareness and capacity within local and resource agencies.
17. **Vulnerability from climate change impacts other than sea level rise:** A majority of IWRP projects will involve restoration of critical habitat for threatened and endangered species. Anticipated changes in climate are expected to create further stress for these species so IWRP projects will likely improve prospects for such species in the face of climate change (e.g. lower and less frequent rainfall).
18. **Minimization of greenhouse gas emissions:** IWRP funding is used for planning, design and permitting and therefore, does not directly result in any physical changes to the environment, including any significant GHG emissions. However, the project proponents may elect to implement a given project by specifying equipment, materials and techniques that minimize GHG emissions as compared to standard practices (for example by using on-site and local materials rather than imported from distant sources).

COMPLIANCE WITH CEQA:

The proposed project to fund the IWRP Phase 4, consisting of design and preparation of permit applications for 25-30 projects is statutorily exempt from the California Environmental Quality Act (CEQA) under 14 California Code of Regulations Section 15262 as it involves only planning for future actions which have not yet been approved and the planning will consider environmental factors. Staff will file a Notice of Exemption upon approval of the project.